

**STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097**

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF DIRECT LEASE  
KOREAN AIRLINES CO., LTD.  
HONOLULU INTERNATIONAL AIRPORT

OAHU

APPLICANT / LESSEE:

KOREAN AIRLINES CO., LTD., (KAL) a Korean corporation authorized to do business  
in Hawaii

LEGAL REFERENCE:

Section 171-59, Hawaii Revised Statutes

LOCATION AND TAX MAP KEY:

Central Concourse (Building 350), Ground Level, Space Nos. 350-147B and 350-147C,  
Overseas Terminal, being portions of Honolulu International Airport, Honolulu, Island of  
Oahu and identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-03: Portions of 50, as shown and  
delineated on the attached map labeled Exhibit B.

AREA:

Space No. 350-147B, containing a floor area of approximately 599.50 square feet and  
Space No. 350-147C, containing a floor area of approximately 938.03 square feet.

ZONING:

State Land Use District: Urban  
City and County of Honolulu LUO: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands (non-ceded) of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES\_\_ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, dated June 8, 1983, setting aside 3,152.177 acres designated as Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii for Airport Purposes.

CHARACTER OF USE:

To develop, construct, renovate, operate and maintain a VIP passenger lounge to provide food, beverage and other services for customers of KAL and other airlines.

TERM OF LEASE:

Five (5) years, with the lease commencement date to be determined by the Director of Transportation.

LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation at a later date.

ANNUAL RENTAL:

For the first year of the lease term, \$81,489.24 per annum, payable, in advance, in monthly installments of \$6,790.77, to Lessor. For each remaining year of the lease term, the rent will be determined by multiplying the applicable per square footage rental rate for an airline lounge shown in the Airports Schedule of Rates and Charges by the demised square footage.

PERFORMANCE BOND:

Sum equal to one quarter of the annual rental in the amount of \$20,372.31

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or

environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and specifically to Disposition by negotiation, the Department of Transportation proposes to issue a direct terminal space lease to KAL for the development, construction, renovation, refurbishment, operation, and maintenance of a passenger lounge to provide food, beverage and other services from Space Nos. 350-147B and 350-147C at Honolulu International Airport, for customers of KAL.

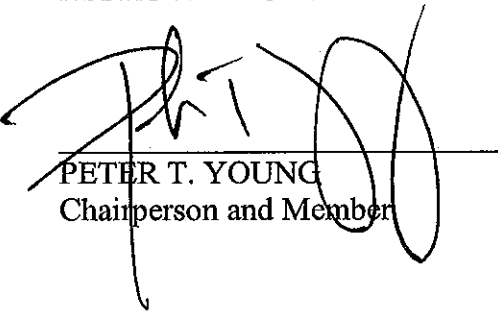
RECOMMENDATION:

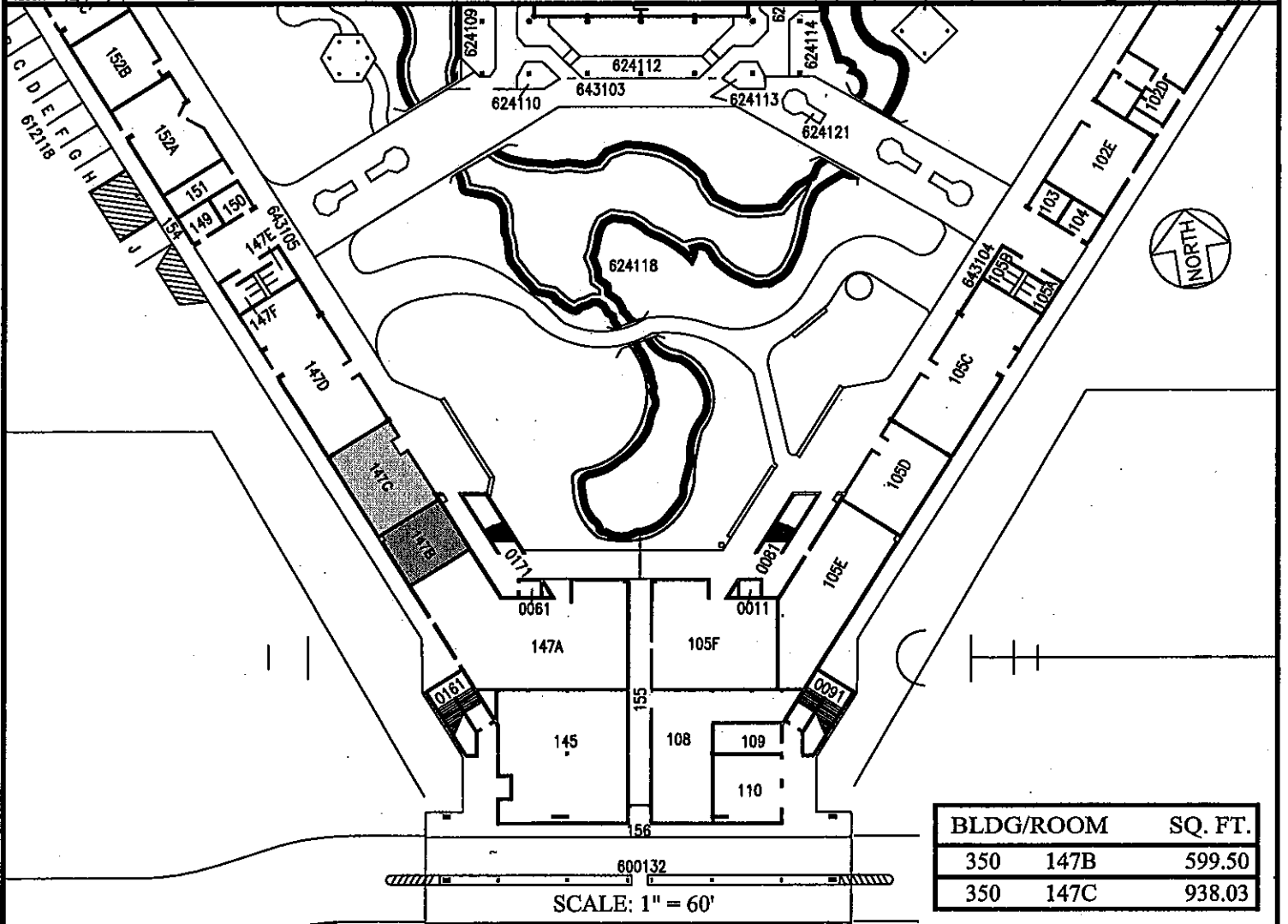
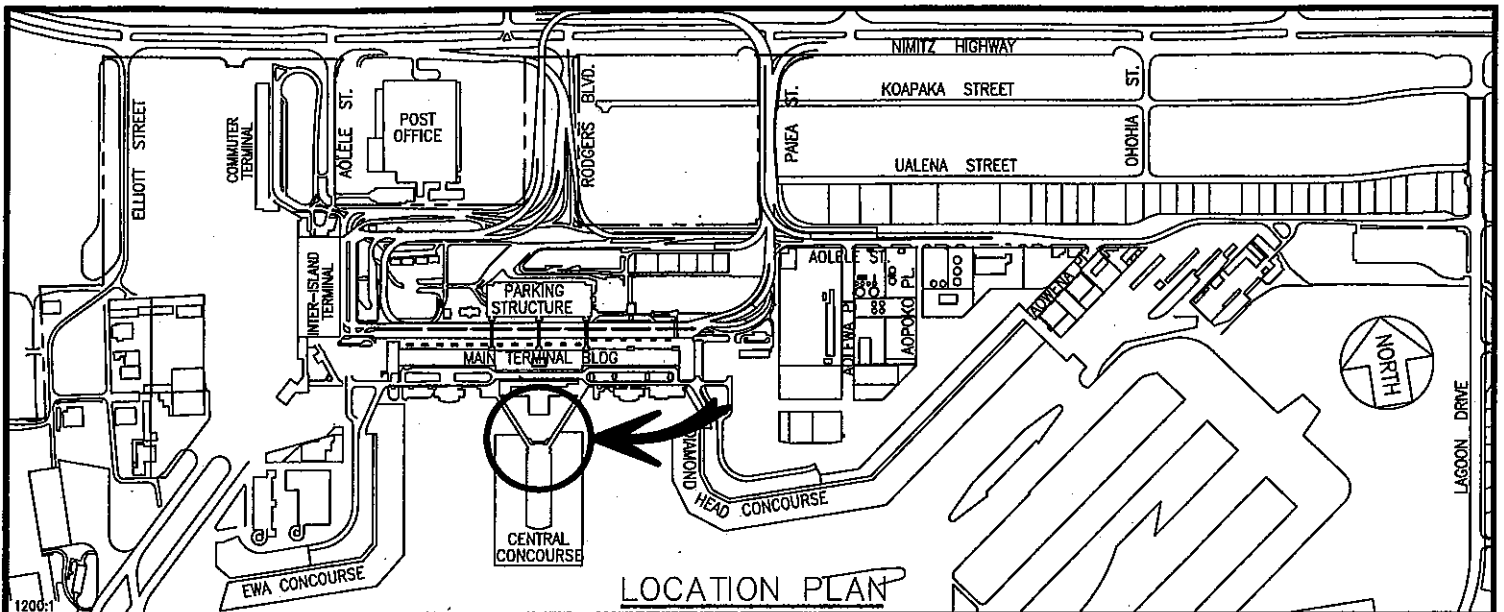
That the Board authorizes the Department of Transportation to enter into and issue a direct lease to KAL, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

  
BARRY FUKUNAGA  
Interim Director of Transportation

APPROVED FOR SUBMITTAL:

  
PETER T. YOUNG  
Chairperson and Member



DATE : JANUARY 2007

EXHIBIT: **B**

KOREAN AIRLINES  
CO., LTD.

BUILDING 350  
CENTRAL CONCOURSE  
GROUND LEVEL

350147B  
350147C  
  
Plat B1

HONOLULU INTERNATIONAL AIRPORT

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